



OFFICE OF
**DIVERSITY &
INCLUSION**
FEDERAL RESERVE BANK OF RICHMOND

2019 Office of Minority and Women Inclusion Annual Report to Congress

On the implementation of Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010



Federal Reserve Bank of Richmond

OUR MISSION

As a regional Reserve Bank, we serve the public by fostering the stability, integrity and efficiency of our nation’s monetary, financial and payments systems.

OUR CULTURE

We act as one team to serve the System, our customers, our communities and each other to:

- Do the right thing
- Lead from where we are to make things better
- Embrace differences and opportunities to grow

OUR DIVERSITY & INCLUSION VISION

We excel at our public service mission by actively cultivating an inclusive culture and leveraging the skills and perspectives of our diverse workforce.

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Executive Summary

OUR COMMITMENT

The Federal Reserve Bank of Richmond (the/our Bank or the Richmond Fed) is committed to building and maintaining a strong workforce to deliver on our public service mission while strengthening the economy and our communities. We recognize that fostering a diverse, equitable and inclusive culture is imperative — both to the success of the Richmond Fed, and to ensure our employees experience a work environment where they can be their authentic selves, share their unique perspectives and feel a sense of unity and belonging. We work to leverage differences among our employees to find the best solutions and ensure the best outcomes. This philosophy and commitment has allowed our Bank to continue building on our strong diversity and inclusion culture and practices, both with our current employees and with our external constituents.

In order to reinforce our ongoing commitment, one of the five focus areas of the Fifth District's 2019–2021 Strategic Plan is making the Bank a top place for top talent, which includes priorities on diversity and inclusion, mobility, superior workplace and developing others.

WORKFORCE DIVERSITY

In 2019, we continued work on our long-term goals of inspiring a diverse and inclusive workforce representative of the communities we serve and cultivating an inclusive culture. Specifically, we identified three priority areas to achieve a more diverse workforce: 1) Experience-Based Development (EBD) Program/talent mobility; 2) increasing early career employees; and 3) inclusive behaviors to promote and encourage a more collaborative culture.

As of December 31, 2019, the Richmond Fed employed 2,744 employees, encompassing the Fifth District, or District (1,456 employees), with responsibility for the primary functions of the Fifth Federal Reserve District; and National IT (1,288 employees), with responsibility for information technology for all Reserve Banks within the Federal Reserve System. During 2019, minority representation increased by 1 percentage point to 35 percent, while the Bank's representation of women remained stable at 38 percent. As of year-end 2019, Black/African American employees represented 19 percent of the total workforce, while Asians and Hispanic/Latinos represented 4 percent and 11 percent, respectively.

While minorities in leadership roles continue to be a challenge, through defined goals, measurements and increased leader accountability, we made significant advancements in other areas during 2019 — most notably with external hires (including entry-level talent); promotions; promoting a culture of talent mobility through a new program that provides employees with expanded development experiences; strengthening the diversity of the leadership pipeline; and advancing a culture that embraces differences and opportunities to grow. Minority and women representation of external hires were both at 43 percent, which exceeds our current representation of 35 percent and 38 percent, respectively. Likewise, representation of minorities and women in our promotions were 39 percent and 44 percent. These positive results from our organizational focus and efforts provide opportunities for more diversity in all levels of our workforce.

We have been intentionally focused on increasing our diverse talent pipeline, and our overall representation of women and minorities reflects those efforts. These efforts include developing our internal pipelines through growth and development opportunities and our external pipelines through strategic sourcing efforts and continued partnerships with external organizations. One approach, for example, is continuing to build and deepen our relationships with female and minority professional organizations and Historically Black Colleges and Universities (HBCUs) in our District as a way to actively source female and minority candidates.

We also sought out ways to identify our next generation of diverse leaders earlier — focusing on education, mobility and experiences — to create a deeper, more ready pipeline. As we grow the pipeline, we are able to more frequently tap into our internal talent pools for leadership positions. Using talent mobility as an avenue for developmental experiences was a key focus in 2019, providing more than 200 employees exposure and opportunities to learn across business areas. This strategy allows us to leverage employees' strengths and provide opportunities for them to expand skills and work experiences — creating greater breadth and versatility. In some cases, our EBD program not only provided opportunities for career and professional growth, but also prospects for new career paths. Women and minorities were well represented in these talent mobility opportunities, at 129 (64 percent) and 76 (33 percent) respectively.

In addition, we continue to be more intentional about our internship program, structuring it to successfully convert more interns into full-time roles and also using it as a pipeline for Discover, our newly formed two-year rotational program for recent college graduates. Our Discover Program has an objective to balance workforce composition with more early career talent and to represent the community we serve in the cohorts the program hires. Hiring demographics for the program have matched or exceeded our current representations with minority and women representation of 35 percent and 48 percent, respectively. Also in 2019, we enhanced our Career Champions program — a development opportunity for employees who wish to share their passion and knowledge about the Federal Reserve with potential job candidates at outreach and recruiting events. Our 171 Career Champions engage in a variety of events and programs throughout the year to build relationships with organizations as well as with talent pipelines. As a result of our sharpened focus on early career hiring, 61 percent of all external new hires in the last year were entry-level, compared to 50 percent in 2018.

We are advancing our culture to encourage diverse perspectives and a growth mindset in our operational expectations. In addition to the programs mentioned above, we also rely on employee-driven approaches such as:

- Our eight Employee Resource Networks (ERNs) that help to ensure our policies are inclusive and host a robust schedule of events to build cultural competence for all employees and provide professional development opportunities for hundreds of ERN members.
- Nearly 30 employees from across business lines serving as Culture Ambassadors. These employees are charged with exploring and implementing innovative ways to help us continue evolving our culture and reinforcing certain behaviors, like storytelling, engaging those closest to the work, and encouraging constructive dialog and feedback.
- Our Let's Connect open dialogue series that invites employees to engage in open discussion with each other across all levels of the organization in a safe and inclusive environment. These sessions are facilitated by senior executives, and have covered topics like "Eliminating Tolerance," "Having Your Voice Heard," "Storytelling" and others. Through these and other efforts, we are seeing employees offering diverse viewpoints based on their knowledge and experiences.

The Richmond Fed believes in accountability to help drive our D&I mission and objectives. We utilize a workforce metrics dashboard to identify areas of concern, measure changes in our landscape, monitor and recognize trends and outcomes from actions taken, and hold leaders accountable for achieving positive results. In 2019, the Bank expanded the dashboard to include our focus areas, such as progress we're making towards goals for early career hires and mobility opportunities. The 2020 dashboard includes specific calls-outs and measurement around women in technology and minority officers. Leaders are also held accountable through common performance objectives centered on diversity and inclusion, including modeling and encouraging participation in inclusion events and programming.

We acknowledge that challenges still exist and we're committed to making improvements. While we've made incremental progress in our diverse representation over the years, we're continually exploring opportunities for more effective and timely results. To do this, we're leveraging internal employee networks to make connections with diverse talent — by collaborating with employee resource networks, encouraging employees to refer top talent through our Employee Referral Award program, and leveraging employee ambassadors to expand and deepen relationships with HBCUs. We have also taken a more focused sourcing approach in the areas where external recruitment is most challenging.

MINORITY- AND WOMEN-OWNED BUSINESSES

The Bank's 2019 supplier diversity action plan centered around four objectives: refining internal education and communication strategies to increase understanding of supplier diversity throughout the organization; developing an end-to-end supplier engagement plan to attract and broaden pools of diverse suppliers; refining and enhancing organizational metrics to provide actionable information on supplier diversity progress, accomplishments and challenges; and improving and streamlining process and practices across District procurement to improve internal effectiveness.

Expenditures with diverse suppliers increased 24 percent, up from \$52 million and 13.1 percent in 2018, to \$64.6 million and 14.9 percent in 2019.

Using key data points like diverse supplier inclusion, response and award rates, the Bank continued to maximize our supplier diversity dashboard to drive better collaboration with key business lines, and ultimately identify strategic opportunities for diverse suppliers. We also implemented strategies to align our internal practices and behaviors with the Federal Reserve System's priority to build supplier diversity and expand the use of minority and women-owned businesses.

During 2019, the Richmond Fed developed a more streamlined and efficient process to collect all diverse spend, including non-competitively bid spend. This enhanced reporting allows us to look beyond spend that previously required competitive bidding, and provide opportunities to further educate Bank leaders about diverse suppliers available outside of the competitive bidding process.

The Fifth District supplier diversity program continued to build on and refresh relationships with diverse-owned businesses, including minority- and women-owned businesses. We engaged in strategic conversations both internally and externally to broaden the reach and deepen the impact of these community relationships. In 2020, we will make it a priority to connect these community resources to specific Fifth District procurement opportunities.

Within our organization, we're enhancing our internal education and communication strategy to increase business leaders' understanding of supplier diversity. This continued effort will be implemented by early 2020, and will equip leaders with additional tools to more readily include diverse suppliers in contract bids and non-competitive procurement opportunities.

FINANCIAL EDUCATION

The Richmond Fed continued to provide targeted financial education resources and programs to students, teachers, and community and educational organizations. These programs remain focused on two primary objectives: 1) helping students make an informed decision about post-secondary education and careers, and 2) helping students understand how the Federal Reserve connects to the economic and financial decisions they make every day. To expand reach and improve resources and programs, the Bank continues to focus on building partnerships across the Fifth District and regularly incorporating teacher input and feedback.

We continue to place a great deal of focus on helping the public better understand who we are and what we do. Through guided tours and facilitated activities at The Fed Experience museum in Richmond, visitors explore their personal connection to the economy and how the Federal Reserve impacts their lives. In 2019, 3,715 individuals visited the museum, including 329 students from Office of Minority and Women Inclusion (OMWI)-designated high schools. Additionally, we continued to deliver an interactive presentation for high school students. In 2019, our employee ambassadors shared this presentation with 1,395 students, including 193 students from OMWI-designated high schools, about their connection to the Federal Reserve and the economy.

In 2020, we will build on 2019's success while working to increase reach and collaboration opportunities with external partners in the Fifth District. We'll also implement new functionality on our public website to give teachers a streamlined pathway to our Bank's educational materials, including publications, research articles and data.

BOARD DIVERSITY

The Federal Reserve Bank of Richmond's Boards of Directors are comprised of nine Richmond directors and 14 branch office directors — seven in Baltimore, Maryland and seven in Charlotte, North Carolina. Directors are comprised of those appointed or elected in 2019 to terms that began on January 1, 2020, as well as directors who are currently serving in existing terms, with representation of women and minorities of 30 percent and 26 percent, respectively. Two of the three board chairs are female. The boards' geographic diversity encompasses all states in the Fifth District, as well as the District of Columbia. All Richmond Fed directors are expected to participate in the formulation of monetary policy and act as a link between the System and the public. Our board members represent significant diversity across industries, which allows our senior leaders to have a better understanding of our differing communities and local economies. Industry diversity in 2019 for the District included representatives from banking (26 percent), commerce (35 percent), services (22 percent) and consumer/community (9 percent). The services sector is comprised of industries such as higher education and health care. Additionally, our 2019 directors also includes the president of an HBCU.

Diversity is a priority across our organization, including on our board of directors. Recruiting directors is a continuous process and we consider many factors when looking

for potential members of our board. Individuals with diversity of background, career experiences, industry representation, race, gender and geography bring a variety of perspectives that benefit the board's work and provide valuable insights from and are representative of the communities we serve in our District. Detailed metrics for our board of directors are located in Appendix 2.

CONCLUSION

At the Richmond Fed, we believe everyone plays a part in our diversity and inclusion efforts — from building a strong and diverse workforce to promoting an equitable and inclusive work environment; by participating in diverse supplier networking events; or by volunteering to provide financial education in underserved communities.

In 2019, we continued our work to build a more diverse workforce, focusing on women and minority representation, and early career hires — and we advanced our culture in ways that embrace differences and opportunities to grow. We also increased the number of minority- and women-owned businesses that participate in procurement efforts, and enhanced our financial education efforts — with a focus on majority-minority schools — to support informed decision-making. The efforts don't end with 2019 either — these are continued focus areas for our Bank in the coming years.

These enhancements throughout the year serve as a framework for how the Bank will continue to inspire a high-performing and diverse workforce and deliver in the areas of supplier diversity and financial education. Furthermore, these changes will help us sharpen how we deliver on our public service mission through our strategic plans. An intentional approach with success metrics and a shared commitment are critical factors to this important and impactful work.

This annual report, as stipulated by Section 342 of the Dodd-Frank Act, details specific work and progress made during the reporting period. Information pertaining to Regulated Entities is included in the Board of Governor's Report as the primary regulator.



Overview & Introduction

THE RICHMOND FED

As one of 12 regional Reserve Banks across the country, the Federal Reserve Bank of Richmond (Richmond Fed or the Bank) represents the Fifth District, which is comprised of the Carolinas, Maryland, Virginia, Washington, D.C., and most of West Virginia. The Bank works together with the other regional Reserve Banks and the Board of Governors to achieve its public service mission by promoting stable prices, maximum employment and moderate interest rates through monetary policy; ensuring the nation's financial system is safe and sound; providing a secure and efficient way to transfer funds; and connecting with Fifth District community and business leaders to better understand local economic conditions and address issues facing Fifth District communities.

The Richmond Fed is headquartered in Richmond, Virginia, with branch offices in Baltimore, Maryland, and Charlotte, North Carolina. The Bank includes two divisions — the Fifth District, or District (1,456 employees), with responsibility for the primary functions of the Bank, and National IT (1,288 employees), with responsibility for information technology for all Reserve Banks within the Federal Reserve System (the System). Therefore, Bank employees are located across the U.S. and within offices of each of the 12 Federal Reserve Districts across the System.

OMWI OFFICE AND OVERSIGHT

The Office of Minority & Women Inclusion (OMWI), known as the Office of Diversity & Inclusion (the Office) at the Richmond Fed, seeks to increase the diversity of our Bank's workforce at all levels in the organization, increase the number of minority- and women-owned businesses that participate in procurement efforts, and enhance financial education efforts — with a focus on majority-minority schools — to support informed decision-making.

Brie Stanley is group vice president and chief human resources officer, and also serves as OMWI Director. She reports to President Thomas Barkin on OMWI matters and to Chief Operating Officer Becky Bareford on other HR initiatives. Brie Stanley also oversees the workforce diversity outreach efforts of the Bank. Chris Tunstall, assistant vice president, serves as the deputy OMWI director and EEO Officer.

The Office includes one full-time D&I program manager who supports D&I business line needs, D&I education, the embedding of D&I into business practices, and Employee Resource Network (ERN) activities and programs. The Office partners with individuals across the Human Resources department and throughout the business lines to carry out the Bank's D&I mission. In 2019, the Office also benefitted from several EBD/talent mobility opportunities from individuals participating in job rotations to assist with D&I work.

Workforce Diversity & Inclusion

The Richmond Fed continues our commitment to be a top place for top talent — to inspire a workforce as diverse as the communities we serve and to cultivate an inclusive culture where all employees bring their diverse perspectives to the table.

That's why diversity and inclusion are integral and intentional parts of how we do business every day — and are key components of our strategic plan. As part of the Bank's 2019 – 2021 strategic plan, we identified four key High Priority Objectives (HPOs) that focus on the Bank becoming a top place for top talent. These HPOs are 1) Increasing Bank Diversity, 2) Promoting Talent Mobility, 3) Delivering a Superior Workplace Experience and 4) Strengthening Leaders' Ability to Develop Others. Details and accomplishments of the HPOs are highlighted in this report. These key focus areas are also reflected in the System IT Strategic Plan, and will continue to be a focus for us in the coming years.

We have a multipronged approach to D&I that incorporates an internal and external strategy. We are focusing on strengthening our internal pipeline through experience-based development, mobility and growth opportunities. We are also ensuring a deeper external pipeline by having a focused sourcing strategy and more concentrated efforts on our external networks and partnerships with universities and professional organizations. Not only are we

working to attract and recruit diverse candidates, we also are retaining the dynamic employees who are already here by offering opportunities to develop, grow and connect with each other, and supporting a culture that allows employees to bring their whole selves to work, connect and grow, and feel a true sense of belonging.

Everyone plays a role in diversity and inclusion, and that shared responsibility can be seen all across our Bank in many ways, like the employee who learns something new about a colleague by attending a D&I event; the hiring manager who ensures a diverse interview panel and applicant pool exists; and the senior leader who is held accountable for modeling this commitment on all fronts.

As of December 31, 2019, the Richmond Fed employed 2,744 employees. During the year, minority representation increased by 1 percentage point to 35 percent, while the Bank's representation of women remained stable at 38 percent. As of year-end 2019, Black/African American employees represented 19 percent of the total workforce, and Asians and Hispanic/Latinos represented 4 percent and 11 percent, respectively. There have been some marginal increases in overall workforce diversity over the past several years.

Ghada Ijam Named Federal Reserve System CIO



In late 2019, the Federal Reserve Bank of Richmond announced Ghada Ijam would be the Federal Reserve System's chief information officer. Ghada will oversee National Information Technology for the Federal Reserve System when she transitions into her new role in January 2020.

Before joining the Richmond Fed in 2017, she held a number of leadership and management roles in her 30-year career in technology and business. Most recently, she served as chief operating officer and executive vice president in the Federal Reserve's National Information Technology function.

"Ghada has demonstrated experience as a strategic leader and change agent. Her passion and support for a culture that promotes diversity, talent mobility, innovation and excellence equip her as the right leader for this critical role," said Tom Barkin, president and CEO of the Richmond Fed.

While women's representation within the total workforce has remained constant, representation within senior leadership roles increased to 42 percent in 2019 from 35 percent one year prior. However, minority representation at the senior leader level declined to 11 percent in 2019 from 17 percent in 2018. While Bank leaders continue to keep this as a priority area of focus for improvement, it is worth noting that the total number of senior executive positions in the organization declined to 19 in 2019 from 23. Additional information on workforce trends and minority and women representation is contained in Appendix 1.

Through the use of analytics and reporting, Bank leaders are better able to understand the current environment, proactively identify trends and talent gaps, and develop and implement action plans. To that end, we have developed a workforce metrics dashboard that provides Bank leaders with demographic and employee life cycle information that tracks and measures progress in diversity and representation at different levels, identifies opportunities for improving organization effectiveness, and provides a clearer understanding of how business actions impact overall D&I outcomes.

SUCCESSSES

Through defined goals and measurements as well as increased leader accountability, our Bank made several significant advancements during 2019 — most notably in the areas of overall diversity of external hires and internal promotions; hiring entry-level talent; promoting a culture of talent mobility through a new program that provides employees with expanded development experiences; strengthening the diversity of the leadership pipeline; and advancing a culture that embraces differences and opportunities to grow. During 2019, we made 258 external hires, including 43 percent minorities and 43 percent women, both of which exceeded our minority and women representation. Additionally, our workforce promotions had minority and women representation of 39 percent and 44 percent, respectively, which matched or exceeded the corresponding populations at the time. The work completed to date has created a strong foundation to build on, and the positive results from our organizational focus and efforts provide more opportunities for expanded diversity in all levels of the Bank. Our next steps outline future opportunities underway that will make an even greater impact.

High Priority Objective: Increasing Bank Diversity

To increase organizational diversity through hiring, the Richmond Fed continues to employ a sourcing strategy concentrated on recruiting from diverse colleges, universities and professional organizations, and leveraging existing employee networks to broaden candidate pools. Of our 258 external hires, 61 percent were hired into entry-level (associate- and intermediate-level) roles — a significant increase from 50 percent in 2018. This success is largely credited to the heightened attention and effort made to increase the number of qualified interns converted into full-time roles upon graduation, including through a new two-year, entry-level rotational program called Discover. During 2019, the Bank employed 75 interns, including 39 percent minorities and 51 percent women. Our new Discover program provides recent graduates the opportunity to gain knowledge and skills through rotations in various departments, culminating with assignment to a permanent business line at the end of year two. In 2019, eight eligible interns were hired into open positions across business lines and 22 recent graduates were accepted into the first Discover program cohort. Women and minority representation in the Discover cohort were 48 percent and 35 percent, respectively.

Our Career Champions program also contributed to this early career talent/university recruitment, as these passionate employees shared why the Federal Reserve is a great place to work with prospective employees at 85 outreach and recruiting events. They continue to build relationships and talent pipelines by representing the Richmond Fed at professional organization events and campus programs — including at institutions with higher populations of minorities and at HBCUs. The 2019 class of Career Champions come from all three of our offices and totaled 171 employees, many of whom are active participants in our Employee Resource Network groups. Representation of women and minorities on the Career Champions team were 53 percent and 50 percent, respectively.

To leverage the diverse networks of our employees, we launched a revitalized Employee Referral Program in November 2019. This program provides a financial incentive for current employees to tap into their diverse professional and community networks and help attract new talent to our Bank. We also piloted an Officer Hiring Assessment tool in November, for full implementation in 2020, which will assess candidates for new Bank officers to

help reduce the opportunity for unconscious bias during the interview and selection process.

High Priority Objective: Promoting Talent Mobility

Another focus area as part of our Bank's overarching goal to become a top place for top talent was to promote talent mobility and career development for current employees. Fostering employee mobility provides broader experiences and exposure within and across functional areas, prepares employees to move faster in the organization and creates deeper talent pipelines. In March 2019, we introduced the Experience Based Development (EBD) Program, which provides increased experiential learning opportunities for employees to expand their organizational understanding to support growth, build skills and expand career possibilities across the organization and Federal Reserve System. During 2019, 203 employees, of which 37 percent were minority and 64 percent were women, participated in 216 mobility opportunities. EBD has been mutually beneficial for the Richmond Fed and our employees — our Bank is seeing positive gains from an agile, cross-trained workforce to better meet business needs, and employees have seen their desire for more development opportunities made real.

Enthusiasm for the EBD program was demonstrated through feedback from both employees and leaders, and exceeded our first-year goal of 7 percent of the workforce participating. A midyear survey of participants indicated overwhelmingly positive experiences, broadening their perspectives and honing skills that allowed them to be more effective in their current roles, while adding skills that will better prepare them to move into other roles as they become available.

With regard to delivering on talent management goals, significant effort was placed on identifying versatile employees deeper in the organization and assessing opportunities to better align and share talent across the Fifth District and National IT. During 2019, more than 1,770 employee career profiles were developed across the organization, representing 65 percent of our workforce. These profiles included information about performance, strengths and development opportunities, retention risk, versatility and succession potential. The profiles were developed to help deepen diverse talent pipelines by providing a greater understanding of employees available to fill current and future leadership and critical roles.

Opportunities to align and leverage employees across the District and National IT were also assessed. For example, a common criteria to define leadership potential was adopted across both organizations, and joint succession planning discussions were held to focus on identifying and developing high-potential, versatile employees, including women and minorities.

High Priority Objective: Delivering Superior Workplace Experience

At the Richmond Fed, we begin delivering a superior workplace experience on day one. In early 2019, our Bank launched a streamlined new hire orientation process where employees receive coordinated managerial and team support beginning on their first day of employment. This strong start helps lay a foundation for retention and allows us to demonstrate our culture from the beginning, including unconscious bias content and our commitment to diversity and inclusion. We also created a standard set of tools for hiring managers, which provides the information needed to help them support a positive and consistent new employee experience. Survey results show 92 percent of new employee respondents find the structure and content of this new orientation valuable. In addition to new employee training touch points, we enhanced our people leader fundamental training in 2019 by developing online classes to broaden our reach, consistency and provide flexibility for individuals.

Our Bank's Let's Connect open dialogue series reinforces our superior workplace goal and continues to be a leading D&I practice that provides a safe and inclusive environment to discuss topics like interpersonal relationships, inclusion and differing perspectives. This approach has been embraced by employees, with an average of 60 participants per session. Seven sessions were held during 2019 on topics like storytelling, tolerance vs. acceptance, and getting your voice heard, with 11 senior leaders moderating at least one session each. Notably, our chief operating officer co-facilitated three of these sessions. Our D&I offerings and programs (ERNs and Let's Connect) were assessed and evaluated for impact during 2019 through various methods, including an employee survey, feedback sessions and ERN post-program surveys. Overall, results show positive program impact and also identified some opportunities, such as increasing employees' awareness of the offerings and having leaders more visibly demonstrate their support, which will be considered in 2020.

We also placed emphasis on advancing our Bank's culture through continued integration of a new culture statement that was introduced in the fall of 2018. The statement is comprised of guiding behaviors around how employees work as one team to deliver on our mission of supporting a healthy economy. It encourages employees to do the right thing, lead from where they are to make things better, and embrace differences and opportunities to grow. Since the statement rollout, the emphasis on every employee's role in advancing culture has become integrated into messaging, behaviors, peer-to-peer interactions and the overall culture of the Bank. Fourteen volunteer Culture Ambassadors — employees from various backgrounds, business areas and management levels — have been leading the exploration of innovative ways to continue evolving culture and reinforcing certain behaviors (such as storytelling, engaging those closest to the work, and seeking different viewpoints and encouraging constructive dialogue). These behaviors reinforce the value of diverse experiences and ways of thinking to help us achieve our objectives. The Culture Ambassador program will be expanding in 2020 to include even more participants.

We measured progress in these behavioral areas through a series of three brief employee surveys in 2019. Results show positive progress in all measured areas — most notably in the practice of storytelling about lessons learned, failure and risk-taking. Progress was made in how we collectively are giving and receiving feedback, although that continues to be a focus area in 2020. We've also expanded our social network presence across multiple sites, including LinkedIn, Instagram, Twitter, YouTube and Facebook. Not only are we able to utilize these tools to attract top talent, they also provide an excellent venue for the Bank and our employees to share stories of engagement, inclusion and belonging.

To be a top place for top talent, we continue to focus on offering top-tier, equitable benefits that are attractive to all, including diverse candidates. In 2019, Bank policies were examined through an expanded D&I lens while considering "next" industry practices, such as re-imagining the future, building our culture by design, and measuring for desired changes and rewarding results. There was a focus on inclusive leave policies throughout the year, resulting in enhancements to our Bereavement Leave and Parental Leave Policies.

#MyRichmondFed

The rise of social media offers new ways to engage with the public and our employees.

From the launch of our new Instagram (@RichmondFed) to our weekly job postings on LinkedIn to attract top talent, we've tried a lot of new things on social media this year.

We've seen posts like the Career Champions who share great content from career fairs to many of our employees who tell their #MyRichmondFed stories. Social media has given a face to the Richmond Fed and highlighted our diverse and inclusive culture.



High Priority Objective: Strengthening Ability to Develop Others

Employees were encouraged to develop, grow and connect during 2019 through sessions with external speakers and formal development training programs. Improvements were made to these offerings, including intentionally weaving in diversity and inclusion education. For example, the Peer Accountability and Transformation Huddles (PATH) program, which focuses on developing newly promoted leaders, achieved last year's goal of officially moving the pilot to program status and identifying additional opportunities for cross-functional and cross-Bank learning throughout our organization. Thirty-five leaders from the Richmond Fed graduated from PATH during 2019, with minority and women representation of 40 percent and 17 percent, respectively. Additionally, the Partners in Professional Development program for high-potential individual contributors also continues to serve as a vital way to build and strengthen the Bank's pipeline of diverse future leaders. In 2019, 39 employees graduated from the program, of which 41 percent were minorities and 43 percent were women. The program, which focuses on leadership concepts and competencies, has continued to evolve over time and now includes a diversity and inclusion module and a peer-coach model to reinforce learning through relationships.

Our employees have been a powerful force for demonstrating leadership, embedding D&I and serving as critical allies in creating an inclusive culture. Many employees have taken an active role through serving on the Diversity and Inclusion Alliance (DNA) and in ERNs. The DNA serves as a key partner with the Executive Diversity and Inclusion Council (EDIC) and Office of Diversity and Inclusion to support and advance a diverse workplace and inclusive culture. The DNA also provides oversight for our ERNs. The DNA and ERNs have representation from across the Bank and at broad organizational levels, and exhibit strong engagement from minorities and women. In 2019, DNA leadership was 64 percent women and 79 percent minority. Our 16 ERN executive sponsors were comprised of 56 percent women and 25 percent minorities. The day-to-day leadership of ERNs by non-officer level employees totaled 66 people, including 66 percent women and 52 percent minorities. See descriptions of these D&I champions in Appendix 4. As noted earlier, we also adopted an approach to pair ERNs with external professional groups that match their interest or affinity. These new alliances will turn our Bank's most engaged, diverse employees into targeted recruiters, creating a new and exciting candidate pipeline.

Continued Commitment

What makes our collective efforts successful is the commitment, engagement and accountability of every employee, starting at the top. Our Bank's most senior leaders, President Tom Barkin and Chief Operating Officer Becky Bareford, along with outgoing System Chief Information Officer Lyn McDermid, have been focused on visibly embracing diversity and inclusion and holding leaders accountable. They meet with each senior leader, both individually and collectively as an executive team to discuss workforce diversity metrics and unlock ways to move the needle and address key challenges. All people leaders also have access to these metrics, which is an enhancement made during 2019.

Taking it one step further, all people leaders have a shared performance objective focused on advancing diversity and inclusion. This objective aligns with one of the System Conference of Presidents' and Conference of First Vice Presidents' (CFVP) priorities, which is driving progress with diversity and inclusion efforts across the Federal Reserve System. Accountability at the Fifth District officer level, specifically, was also driven by including a D&I component in their team incentive. These accountability tracking methods were used in 2019 and will continue in 2020. Collectively, leaders continued to participate in D&I efforts during 2019, including serving on the EDIC and DNA, sponsoring ERNs, facilitating D&I employee sessions and playing a role in diverse recruiting work.

This shared focus, paired with increased leadership engagement, defined goals, measurements and intentionality, has enabled the organization to make positive strides in embedding D&I more broadly and deeply into all aspects of our work.

CHALLENGES

The Richmond Fed faces ongoing challenges in our long-term efforts to increase the diversity of employees through hiring and promotion. This challenge notably affects the utilization of women in technology and minority officer representation. Incremental changes have been made over the past years, but growth in these areas of focus has yet to be noteworthy. While we saw marked increases for women in senior leadership positions in 2019, despite our efforts, minority representation of senior leaders decreased over the same time period. Our challenges are exacerbated by a consistently low turnover rate of 7 percent.

To meet these challenges, our Bank also work with a variety of internal networks to make connections with diverse talent through our employees, such as collaborating with ERNs, encouraging employees to refer top talent through the Employee Referral program, leveraging employee ambassadors and Career Champions, and expanding and deepening relationships with HBCUs. As such, we will continue to strengthen the diversity of our officer leadership pipeline by identifying the next generations of leaders earlier, encouraging mobility and experience-based learning, and ensuring they are prepared for leadership roles as they become open. Furthermore, our Bank will further cultivate relationships with women and minority professional organizations to share job opportunities and source for officer roles.

As mentioned, the Richmond Fed continues to have challenges with representation of women and minorities in technology. To help in these areas, we employ dedicated recruiters who bring expertise in these specific areas and are focused on sourcing hard-to-fill roles, as well as pairing recruitment teams with ERNs to get additional perspectives and make connections with diverse talent. A Women in IT team has been established to focus on attracting top female talent by increasing name recognition of the Federal Reserve and creating awareness of our IT opportunities.

EBD has been a good program to drive engagement; however, our Bank will need to examine whether participation in mobility opportunities results in the long-term outcomes that we expect — broadening employees' skills and preparing them to assume future roles. Furthermore, people leaders must continue to encourage employees to participate in mobility opportunities, with the potential to move them into permanent roles.

Competition for talent with four-year college degrees — particularly women and minorities — is also expected to intensify over the coming years. This competition, paired with current low unemployment, will increase the challenges to recruiting diverse talent. To combat the issue, we developed the Discover program for graduating college seniors.

NEXT STEPS

The work over the next reporting period will build upon and enhance work completed to date — all while continuing to measure our progress and drive accountability. We will continue to focus on increasing

diversity, especially with early career talent, minority officers and women in technology. To facilitate our focus, we are developing a diversity recruiting strategy to guide our internal and external approaches to talent in this highly competitive space. We'll continue to develop diverse talent pools internally through talent mobility and succession planning, as well as externally by cultivating our pipelines via sourcing and building relationships with community colleges and professional organizations. Additionally, we'll continue to work on our assessment and selection processes to reduce potential bias, create a pool of candidates that is best qualified for the position and make sure candidates have a positive experience in their hiring interactions with the Richmond Fed.

Our goal is that the revitalized Employee Referral Award and Discover programs will successfully increase reach and opportunity to hire diverse talent. We'll also produce targeted external communications that will aim to enhance our appeal to early career and diverse candidates. In addition, we'll expand our outreach to campuses and professional organizations, notably those that focus on technology — a key area of opportunity.

To help prepare employees for future roles across the Richmond Fed, we'll continue to support talent mobility by enhancing internal recruiting processes and creating a tighter connection between mobility development opportunities and the succession process. We'll develop additional career profiles to identify versatile talent across the organization and conduct well-informed cross-functional talent discussions.

The workplace experience will continue to evolve with Culture Ambassadors leading efforts to advance culture. New Culture Ambassadors will be identified and will continue to reinforce specific behaviors we want to increase, such as engaging those closest to the work, providing recognition, practicing storytelling, seeking alternative lines of thinking, and giving and receiving feedback. Our Bank will use shorter pulse surveys as well as a Bankwide engagement survey to monitor progress. We'll expand the reach of active inclusion programming, like Let's Connect and ERNs, which build awareness of the connections between varied experiences and their implications on decision-making, among other benefits.

Increased accountability for all people leaders will continue through a shared performance objective that includes D&I, and the heightened responsibility of all officers will remain through a team incentive that includes

specific diversity workforce metrics. Quarterly reviews of our dashboard will help to gauge the effectiveness of our efforts and ensure we remain aligned with our broader strategic plan and culture goals.

Our Bank will continue to equip employees to lead from where they are and provide opportunities for leaders to get better at leading teams, developing others, and giving and receiving feedback. We'll also focus on building leadership capabilities in candidate sourcing, identification, selection and support. These areas of focus are intended to inspire an honest and inclusive culture where alternative lines of thinking are encouraged and sought out.

In 2019, we held a Leadership Conference to train and better equip Bank officers on how to develop others. We will host another leadership conference in early 2020 to reach all people leaders. In addition, we're working on a 2020 launch of a mandatory training initiative for people leaders and/or employees participating in interview panels that will aim to enhance the interview process while minimizing bias in hiring and selecting talent.

Collectively, the priorities identified by our senior leaders enable the Richmond Fed to create and maintain a high-performing and diverse workforce and to become a top place for top talent. Our employees across the organization are committed to this important and impactful work.

Minority- and Women-Owned Businesses

The Bank's 2019 supplier diversity action plan centered around four objectives: refining internal education and communication strategies to increase understanding of supplier diversity throughout our organization; developing an end-to-end supplier engagement plan to attract and broaden pools of diverse suppliers; refining and enhancing organizational metrics to provide actionable information on supplier diversity progress, accomplishments and challenges; and improving and streamlining process and practices across District procurement to improve internal effectiveness.

AMOUNTS PAID TO CONTRACTORS

Expenditures with all suppliers was \$397 million in 2018 and \$433.4 million in 2019. Expenditures with diverse suppliers increased 24 percent, up from \$52 million and 13.1 percent in 2018, to \$64.6 million and 14.9 percent in 2019.

Expenditures with minority businesses owned by men totaled \$38.6 million, or 8.9 percent of total spend, up from \$31.9 million and 8.0 percent in 2018. Expenditures with women-owned minority businesses totaled \$17.4 million, or 4 percent of total expenditures, up from \$12.7 million and 3.2 percent in 2018. Expenditures with non-minority women-owned businesses totaled \$8.6 million, or 2 percent of total expenditures, up from \$7.4 million in 2018.

The Bank also continued efforts to better capture Tier 2 spend from four Bank prime suppliers. Three of the

reporting primes are diverse. Collectively, these primes reported \$1.3 million in Tier 2 spend.

SUCCESSSES

Enhanced Procurement Strategies and Internal Practices

Using key data points like diverse supplier inclusion, response and award rates, the Bank continued to maximize use of our supplier diversity dashboard to drive better collaboration with key business lines, and ultimately identify strategic opportunities for diverse suppliers. This proactive approach resulted in a robust slate of diverse suppliers responding to Requests for Proposals (RFPs), and subsequently, an increase in contract awards to diverse suppliers.

We have also implemented strategies to align internal practices and behaviors with the Federal Reserve System priority to build supplier diversity and expand the use of minority- and women-owned businesses. For example, the overall success of diversity and inclusion efforts, including supplier diversity, are incorporated into performance metrics for Bank leaders. We leveraged existing forums, such as the System procurement annual conference, to educate internal stakeholders through shared learning, conversations and best practices in supplier diversity. We also participated on the System supplier diversity workgroup that recommended standard diverse spend metrics and certification validation process for new suppliers.

Diane McDorman Co-Chairs Supplier Diversity Workgroup



Group Vice President of the National Procurement Office Diane McDorman began serving as Co-Chair of the System's Supplier Diversity Workgroup in 2019 as the group was revamped to align our strategic priorities with activities.

Diane joined the Richmond Fed as a systems analyst and programmer in 1989. Since then, she has worked in several departments and held a variety of leadership roles. She now leads the Richmond Fed-based National Procurement Office, where she is responsible for managing strategic procurement decisions to maintain the integrity and efficiency of procurement for the System.

Our Bank continues to assess and update our reporting processes and procedures as needed. During 2019, we developed a more streamlined and efficient process to collect all diverse spend, including all spend that is non-competitively bid. This enhanced reporting will be able to look beyond spend that previously required competitive bidding, and provide opportunities to further educate business leaders of diverse suppliers available outside of the competitive bidding process.

In an effort to streamline supplier diversity strategies and best practices in the Fifth District, the sourcing teams from the National IT Office, National Procurement Office (NPO) and Richmond Fed local procurement held a joint meeting to review our supplier diversity program. The NPO, located within the Richmond Fed, reports to the CFVP and is responsible for managing or facilitating strategic procurement decisions to maintain integrity and efficiency within the System's procurement process and to minimize the total cost associated with purchase and supply activity. This collective group will continue to gather quarterly in 2020 to help streamline and implement best practices related to end-to-end supplier engagement.

Representatives from the NPO and the Federal Reserve Bank of Chicago began co-chairing the System's Supplier Diversity Workgroup (SDWG) in 2019. The SDWG is comprised of representatives from each of the 12 Reserve Banks, along with liaisons from the Senior Procurement Officer (SPO) group and the OMWI Council. The workgroup was reorganized and refocused to align strategic priorities and activities. To bring awareness to supplier diversity, System metrics were collected and reported to the CFVP on a quarterly basis. SDWG members continued to attend national diversity conferences that bring supplier diversity professionals together along with diverse suppliers, for example The National Minority Supplier Development Council hosts an annual conference.

Build on Existing Community Relationships and Partnerships

In 2019, the Bank modified the Supplier Diversity Program Manager role. The Supplier Diversity Business Advisor role was designed to encourage cross-functional engagement by focusing on a new strategic direction, strengthening internal and external relationships, and educating business leaders on the importance of supplier diversity.

Through the efforts of the sourcing team and procurement leadership, the supplier diversity program continued to build on and refresh relationships with diverse owned businesses, including minority- and women-owned businesses. We engaged in strategic conversations both internally and externally to broaden the reach and deepen the impact of community partnerships. Activities included attending supplier diversity conferences and vendor fairs, dialogues with local minority business enterprises, as well as discussions about leadership opportunities with a local/regional diverse supplier development organization. In 2020, there will be a dedicated emphasis on prioritizing the connection of these community resources to specific Fifth District procurement opportunities. We will also evaluate our local and national partnerships in 2020 to ensure maximum impact to increase our diverse pool of suppliers.

Internal Education and Communication Plan

Effort was placed on developing an internal education and communication strategy to increase business leaders' understanding of supplier diversity as well as the business case that supports it. Work began on this effort in 2019, including identifying key stakeholders, gathering supplier diversity success stories and sharing them through storytelling. This strategy will be fully implemented by early 2020, and will provide leaders with more tools to facilitate the inclusion of diverse suppliers to bid for contracts.

Also in 2019, the process of identifying supplier diversity champions began across the organization in advance of launching a formal program in 2020. Discussions were held to determine how supplier diversity could support objectives within other business areas, including Community Development, Research and Regional Executives.



Supplier Responsiveness

The Bank tracks diverse supplier inclusion, response and award rates on a quarterly basis. While the inclusion rate decreased from 36 percent in 2018 to 27 percent in 2019, the response rate of diverse suppliers increased from 62 percent to 64 percent for the same timeframe. The decrease in the inclusion rate indicates we were doing a better job of vetting and selecting diverse suppliers to participate in the bid process, as the response and award rates have increased. Understanding and removing barriers that may hinder diverse suppliers from responding continues to be a focus for the Bank.

CHALLENGES

Our Bank observed that some suppliers who may qualify as minority- or women-owned businesses may not seek to obtain the official certifications, which can limit our available pools. After several attempts by procurement and sourcing professionals to work directly with suppliers to request that eligible suppliers become certified as a minority or women-owned business, the suppliers have shared concerns about the cost of the annual fee associated with certification. While we can't change the fee requirements, through technical assistance and education we can continue to educate suppliers about the certification process and benefits of certification through vendor fairs and external communication channels like our external website. With additional vendors certified as minority-owned companies, we expect our potential spend with diverse suppliers to increase.

The Bank drives continuous improvement through assessment and updates to our reporting processes and procedures as needed. During 2019, we developed a more streamlined process to collect all diverse spend, including all spend that is non-competitively bid. This enhanced reporting will be able to look beyond spend that previously required competitive bidding and provide opportunities to further educate business leaders of diverse suppliers available outside of the competitive bidding process.

In addition, National IT continues to look for opportunities to identify and source qualified diverse technology suppliers that can meet the scope of our needs. The District will continue to partner with National IT on driving commitments to increase diverse spend and to include diverse suppliers in the sourcing process, education and training on the importance of supplier diversity, and exploring additional Tier 2 opportunities. It will also leverage support from the EDIC to drive these efforts forward.

NEXT STEPS

In 2020, the Bank will continue to implement its supplier diversity plan in alignment with the District's strategic plan and the System procurement strategy. The plan will focus on the following high priority objectives:

- Leverage internal partnerships, specifically Supplier Diversity Champions, to implement an internal education and communication plan to increase understanding of supplier diversity.
- Promote accessible tools and resources, including stronger external and internal partnerships to increase integration of diverse suppliers in the overall procurement process and activities.
- Implement comprehensive organizational metrics and goals that inform and help to drive diverse spend.
- Execute end-to-end supplier engagement to open doors for diverse suppliers by providing technical assistance and education on working with our Bank; hosting industry specific vendor fairs; and connecting diverse suppliers to other community resources.

These strategies will better enable us to enhance relationships with our District's diverse suppliers and internal customers to drive an increase in diverse spend across the organization while successfully meeting business needs.

Financial Education

The Richmond Fed continued our efforts with students, teachers, and community and educational organizations to provide targeted financial education resources and programs. These programs remain focused on two primary objectives: 1) helping students make an informed decision about post-secondary education and careers, and 2) helping students understand how the Federal Reserve connects to the economic and financial decisions they make every day.

To expand reach and improve resources and programs, the Bank continues to focus on building partnerships across the Fifth District and regularly incorporating teacher input and feedback.

SUCSESSES

Planning for Post-Secondary Education and Careers

In collaboration with the Federal Reserve Bank of San Francisco, the Bank continued to enhance our online course for high school students called “Invest in What’s Next: Life After High School.” We took steps to enhance the flexibility of the course by providing classroom management solutions to teachers. Additionally, we published complementary classroom activities and a comprehensive guide for parents or other caregivers of children using “Invest in What’s Next.” In 2019, 12,405 students, including 4,109 from OMWI-designated high schools, enrolled in the course.

The Bank presented information about “Invest in What’s Next” and related financial education resources at numerous conferences and events for educators. We prioritized areas of the District where we have engaged in fewer educational programs in previous years. These areas included Damascus, Middleburg and Roanoke, Virginia; Asheville and Raleigh, North Carolina; Columbia, Hilton Head and Greenville, South Carolina; and the Washington, D.C. metro area. To extend awareness about the course beyond our region, we presented at national conferences, including the American School Counselor Association’s national conference in Boston, Massachusetts. Overall, we connected with 1,010 educators, including 210 from OMWI-designated high schools, about “Invest in What’s Next” and related financial education resources.

We also continued to help plan Mission Tomorrow, the Richmond region’s fourth annual interactive career exploration event. This event is a community-driven collaboration between businesses and schools to expose more than 12,000 middle school students to possible career opportunities. The event’s goal is to help the students make informed choices about their secondary and post-secondary education paths. Over the course of two days, students journeyed through exhibits, interacting and participating in hands-on activities about in-demand jobs from 145 local businesses, including the Federal Reserve. Students were also connected to various planning resources, including our “Invest in What’s Next” tool.

Partnership with the Richmond Mayor’s Youth Academy



In 2019, the Bank partnered with new organizations to assist students in making informed decisions about their post-secondary education path.

Eighty-five students from the Mayor’s Youth Academy, a program designed to provide development opportunities for the future leaders of Richmond, participated in a program at the Richmond office to learn more about job readiness, post-secondary education, and careers at the Federal Reserve.

Increasing Understanding of the Fed

Our Bank continues to place a great deal of focus on helping the public better understand who we are and what we do, and teacher and student engagement is an important part of these efforts. Through guided tours and facilitated activities in The Fed Experience museum in Richmond, students explore their personal connection to the economy and how the Federal Reserve impacts their lives. In 2019, 3,715 individuals visited The Fed Experience, including 329 students from OMWI-designated high schools.

We also continued delivering an interactive presentation for high school students. The presentation, based on our infographic titled “Your Connection to the Economy and the Federal Reserve,” guides students through both their and the Federal Reserve’s role in the economy, and the ways the Federal Reserve connects to their daily life. Employees who serve as Fed Ambassadors and give presentations to the public about the Federal Reserve shared this information with 1,395 students in 2019, including 193 students from OMWI-designated high schools.

Continuous Engagement with Teachers

The Bank strives to continuously improve the effectiveness of its financial education resources and programs by engaging our teacher advisory group. We further expanded the membership of our Teacher Collaborative Committee to include teachers from beyond the metro areas of Richmond, Baltimore and Charlotte. The committee now has members from the Washington, D.C. metro area, the Eastern Shore of Maryland and rural South Carolina. The growth of the committee brings additional perspectives and helps ensure our programs and resources are meeting the needs of teachers and students from across the Fifth District. In 2019, committee members provided our Bank valuable input on ways to increase engagement with teachers and feedback on the development of standards-aligned, student-friendly classroom resources. Across our three offices, the committee has 31 members, including 13 teachers from OMWI-designated high schools.

Partnerships with Schools and Community

The Richmond Fed continued its long tradition of partnering with schools and other financial literacy organizations, including state councils on economic

education and Jump\$tart coalitions within the Fifth District. In addition to serving on boards and partnering on events such as financial literacy summits and financial literacy competitions for students, the Bank worked to provide subject matter expertise to enhance our partners’ financial education resources and programs.

One of our high-priority objectives in 2019 was to apply our research, expertise and work with stakeholder groups to strengthen communities across the Fifth District. This included strengthening financial literacy. Our partners were able to leverage the expertise of our economists and three Regional Executives to inform educators about data and trends in workforce development, economic conditions, financial literacy and the potential payoffs to post-secondary education. Moreover, with more than 400 visits with business and community leaders in the Fifth District in 2019 alone, the Regional Executive model has provided a means of amplifying our reach through influential partners with deep reaches into the community.

The Richmond Fed assisted with efforts to improve and expand the teaching of economics and personal finance. In collaboration with the Virginia Department of Education and the Virginia Council on Economic Education, we helped improve the online Economics and Personal Finance course available to students in Virginia. We also helped develop the standards for a new economics and personal finance course in North Carolina and will support its implementation in 2020.

For the fourth year in a row, we brought the leaders of economic and financial education organizations across the District together for the Joint Council on Economic Education program. This year, the meeting was held at our Charlotte Branch to attract new participants from North and South Carolina. Joint Council meetings are designed to build the collective expertise of participants and explore opportunities to collaborate on instructional materials, training programs and student completions. The 2019 meeting focused on the challenges faced by rural schools and how economic and financial literacy organizations can help address them.

In addition to our core economic and financial education programs like the Joint Council meeting, the Bank partners with schools and the community through employee volunteers. In 2019, 23 employee volunteers spent 183 hours mentoring 20 students at Huguenot High School, a majority-minority school in Richmond.



Mentors, who meet with their mentees approximately twice a month, covered topics such as communication, self-awareness and representation, teamwork, time management and lifelong learning. Our mentoring program also reached 30 elementary school students, where 40 Richmond Fed volunteers spent 280 hours focusing on personal and learning competencies as well as economic and financial education. Moreover, 69 Bank employees volunteered in Junior Achievement programs in Richmond in 2019, impacting 648 students.

CHALLENGES

Evaluating the impact of our financial education programs is a challenge. However, we address this challenge by looking to existing research on financial decision-making and bringing in subject matter experts to share research-informed perspectives at events such as the Joint Council on Economic Education meetings. Our Bank also receives guidance and anecdotal information about what works well in the classroom from its Teacher Collaborative Committee. Using these channels for learning and incorporating best practices raises the probability of success for our programs.

The Richmond Fed is continuing to actively work to address two other challenges — adoption of our digital educational resources and improvement of connections between educators and financial education organizations across the Fifth District. The Bank will build on progress made in 2019 to improve our websites for educational materials and continue to expand outreach efforts to teachers and organization outside the Richmond, Baltimore and Charlotte metro areas.

NEXT STEPS

To address the challenges described above and build on the year's successes, the Bank, in partnership with the Federal Reserve Bank of San Francisco, will continue to actively promote "Invest in What's Next," enhance our usability with students and update the course so it continues to contain relevant and current information. We have improved access to educational resources and programs on our websites by grouping them by topic, but will continue to make it easier by adding additional ways for educators to filter resources to find what they need.

As the North Carolina Department of Instruction begins to implement its new economics and personal finance course, we will offer our support and expertise by

providing professional development to teachers. As research shows, quality teacher training is important for student outcomes. By partnering with other financial literacy organization on this training, the Bank can also improve our connections with teachers and organizations throughout North Carolina.

The Richmond Fed will work to increase participation in our Joint Council on Economic Education program and offer "Evening at the Fed" professional development programs for educators throughout the year. Growing those programs will help strengthen partnerships in South Carolina, West Virginia and Washington, D.C., and forge new partnerships throughout the Fifth District.

Appendix



APPENDIX 1. STANDARD CORE METRICS

Category	Description	Measure	2014	2015	2016	2017	2018	2019
Workforce Diversity	Senior Executives	Total #	26	28	26	25	23	19
		% Minorities	12%	14%	19%	24%	17%	11%
		% Women	27%	25%	27%	24%	35%	42%
	Mid-Level Managers	Total #	579	585	562	485	498	486
		% Minorities	21%	22%	23%	22%	23%	23%
		% Women	39%	39%	36%	38%	37%	37%
	Professionals	Total #	1,557	1,603	1,540	1,667	1,723	1805
		% Minorities	30%	30%	29%	32%	34%	36%
		% Women	38%	36%	38%	38%	38%	38%
	Total External Hires	Total #	202	188	150	129	188	258
		% Minorities	36%	39%	42%	50%	44%	43%
		% Women	39%	37%	28%	43%	40%	43%
	Total Interns	Total #	55	67	61	60	51	75
		% Minorities	44%	43%	38%	43%	67%	39%
% Women		38%	40%	36%	48%	53%	51%	
Overall Bank Turnover Rate	%	7.8%	7.8%	6.9%	7.9%	8.8%	7.2%	
Supplier Diversity	Total Reportable Spend	\$ (millions)	\$357.63	\$350.61	\$311.00	\$362.43	\$397.98	\$433.44
	Total Diverse Spend ¹	\$ (millions)	\$57.42	\$58.35	\$39.07	\$38.70	\$51.95	\$64.64
		%	16.06%	16.64%	12.56%	10.7%	13.05%	14.91%
	Minority-owned ²	\$ (millions)	\$52.54	\$55.50	\$34.83	\$35.04	\$44.59	\$56.05
		%	14.69%	15.83%	11.20%	9.7%	11.20%	12.93%
	Minority-owned (men)	\$ (millions)	\$27.71	\$35.02	\$16.56	\$19.56	\$31.91	\$38.61
		%	7.75%	9.99%	5.32%	5.4%	8.02%	8.91%
	Minority-owned (women)	\$ (millions)	\$24.83	\$20.48	\$18.27	\$15.48	\$12.68	\$17.44
		%	6.94%	5.84%	5.88%	4.3%	3.19%	4.02%
	Women-owned ²	\$ (millions)	\$29.71	\$23.32	\$22.51	\$19.14	\$20.04	\$26.03
		%	8.31%	6.65%	7.24%	5.3%	5.04%	6.01%
	Women-owned (non-minority)	\$ (millions)	\$4.88	\$2.84	\$4.24	\$3.66	\$7.36	\$8.59
		%	1.36%	0.81%	1.36%	1.0%	1.85%	1.98%
	Women-owned (minority)	\$ (millions)	\$24.83	\$20.48	\$18.27	\$15.48	\$12.68	\$17.44
%		6.94%	5.84%	5.88%	4.3%	3.19%	4.02%	

¹Total Diverse Spend = Minority-owned (men) + Minority-owned (women) + Women-owned (non-minority).

²Women-minority numbers are included in both Minority-owned and Women-owned totals.

		2019
Financial Literacy ¹	Program Type - Teacher centric - Student centric - Hybrid	
	Number of Students²	2,250
	Number of Educators³	210
	Number of Students Reached⁴	15,750

¹ Measures report only those OMWI students and teachers who participate in or are reached through programs that have a financial literacy focus. OMWI targeted schools are considered to be inner-city, majority-minority, and all-girls high schools.

² Students who attended in-person programs and enrolled in online programs.

³ Educators who attended in-person programs and enrolled in online professional development programs.

⁴ Students reached through educators using a common multiplier of 75.

APPENDIX 2. BOARD OF DIRECTORS, DEMOGRAPHICS

Federal Reserve Bank of Richmond Bank and Branch Directors as of January 1, 2020							
"Director Categories"	Current Directors			Hispanic or Latino		White	
				Male	Female	Male	Female
	All	Male	Female	Male	Female	Male	Female
Reserve Bank Directors							
Class A (Total Positions 3)							
By total	3	3	0	0	0	2	0
By percent	100%	100%	0%	0%	0%	67%	0%
Class B (Total Positions 3)							
By total	3	2	1	0	0	1	1
By percent	100%	67%	33%	0%	0%	33%	33%
Class C (Total Positions 3)							
By total	3	1	2	0	0	0	2
By percent	100%	33%	67%	0%	0%	0%	67%
Branch Directors							
Branch Directors, appointed by Reserve Bank (Total Positions 8)							
By total	7	5	2	0	0	4	2
By percent	88%	63%	25%	0%	0%	50%	25%
Branch Directors, appointed by Board of Governors (Total Positions 6)							
By total	5	3	2	0	0	1	2
By percent	83%	50%	33%	0%	0%	17%	33%
Totals							
All Reserve Bank Directors (Total Positions 9)							
By total	9	6	3	0	0	3	3
By percent	100%	67%	33%	0%	0%	33%	33%
All Branch Directors (Total Positions 14)							
By total	12	8	4	0	0	5	4
By percent	86%	57%	29%	0%	0%	36%	29%
All Reserve Bank and Branch Directors (Total Positions 23)							
By total	21	14	7	0	0	8	7
By percent	91%	61%	30%	0%	0%	35%	30%

Note: Reserve Bank directors are elected or appointed to three-year, staggered terms (see <https://www.federalreserve.gov/aboutthefed/directors/about.htm> for more information). This report includes directors who were appointed or elected in 2019 to terms that began on January 1, 2020, as well as directors who are currently serving in existing terms. Currently, there are two vacancies on Richmond Reserve Bank boards and all directors opted to self-identify their gender and race/ethnicity.

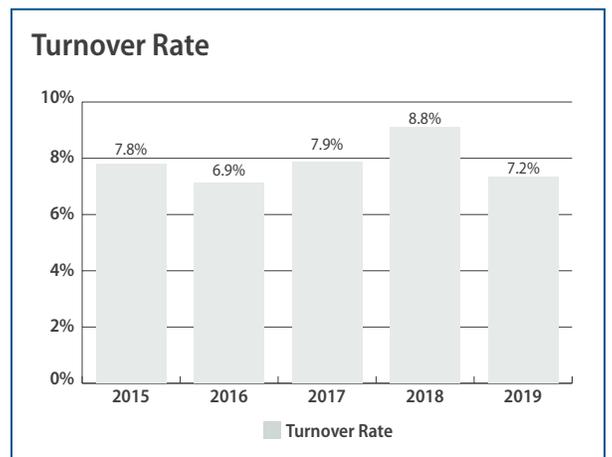
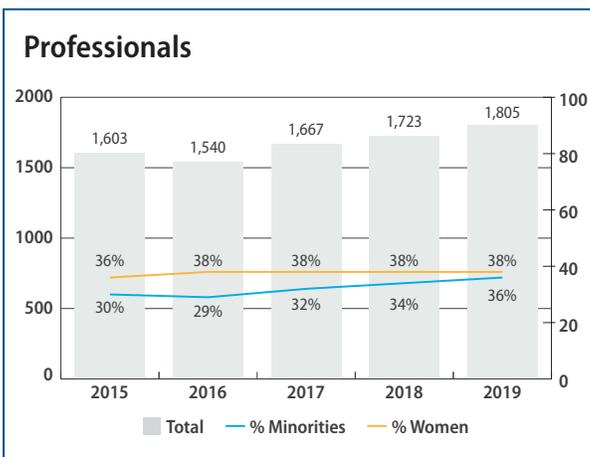
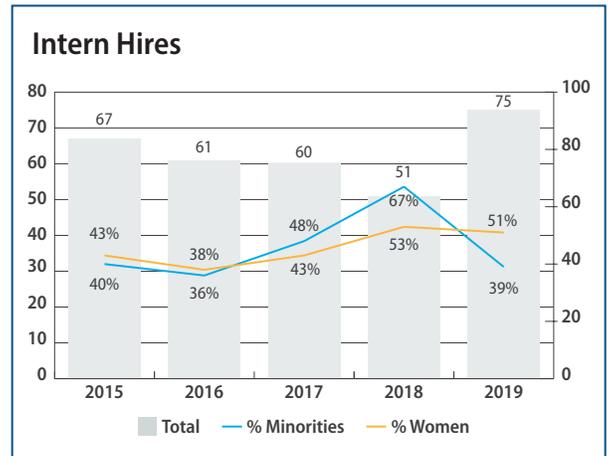
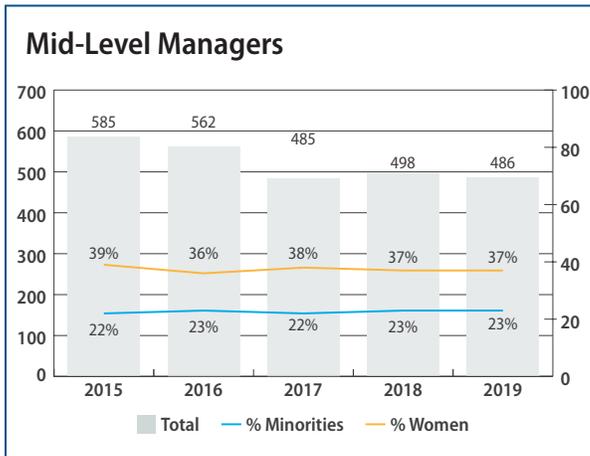
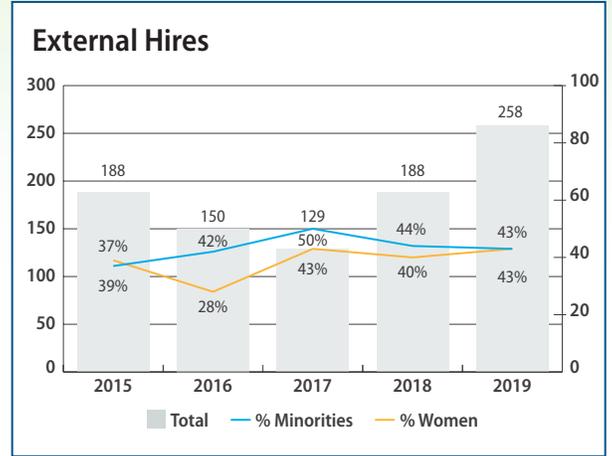
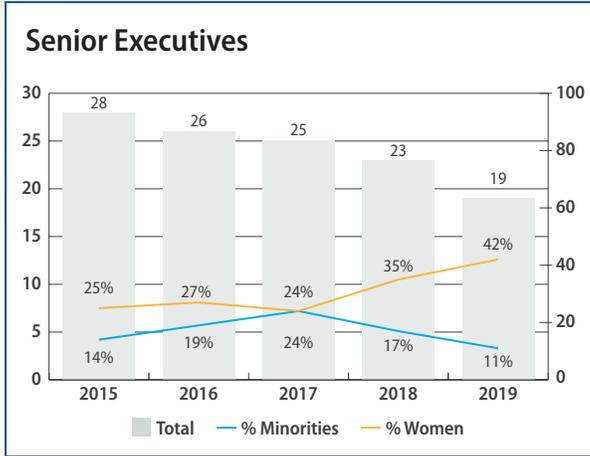
Race/Ethnicity									
Non-Hispanic or Latino									
Black or African American		Asian		Native Hawaiian or other Pacific Islander		American Indian or Alaska Native		Two or More Races	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1	0	0	0	0	0	0	0	0	0
33%	0%	0%	0%	0%	0%	0%	0%	0%	0%
1	0	0	0	0	0	0	0	0	0
33%	0%	0%	0%	0%	0%	0%	0%	0%	0%
0	0	0	0	0	0	0	0	1	0
0%	0%	0%	0%	0%	0%	0%	0%	33%	0%
0	0	0	0	0	0	0	0	1	0
0%	0%	0%	0%	0%	0%	0%	0%	13%	0%
1	0	0	0	0	0	0	0	1	0
17%	0%	0%	0%	0%	0%	0%	0%	17%	0%
2	0	0	0	0	0	0	0	1	0
22%	0%	0%	0%	0%	0%	0%	0%	11%	0%
1	0	0	0	0	0	0	0	2	0
7%	0%	0%	0%	0%	0%	0%	0%	14%	0%
3	0	0	0	0	0	0	0	3	0
13%	0%	0%	0%	0%	0%	0%	0%	13%	0%

APPENDIX 3. EEO-1 DATA

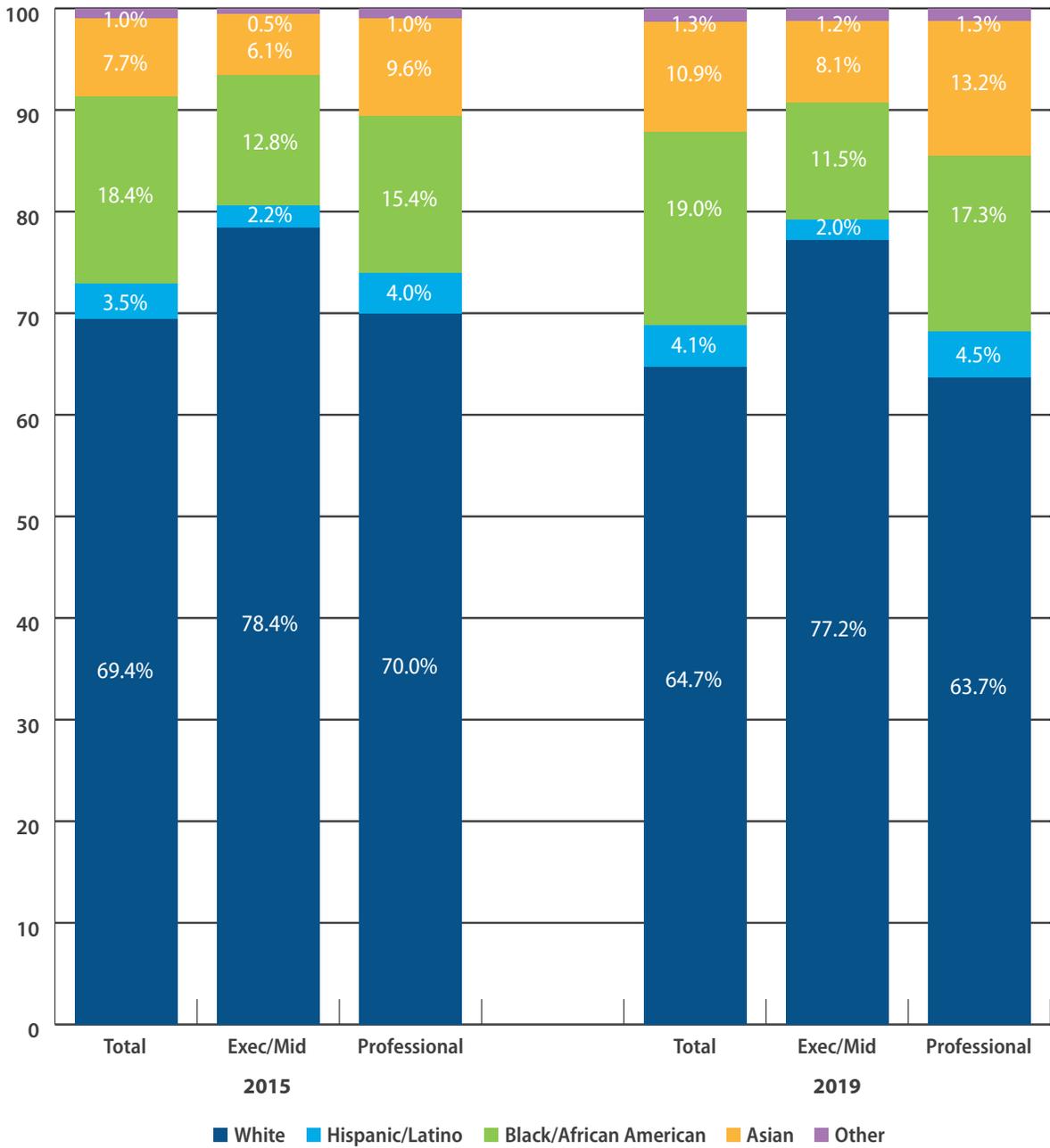
Federal Reserve Bank of Richmond 2019 Employer Information Report EEO-1							
Occupational Categories	Total Employees			Hispanic or Latino		White	
				Male	Female	Male	Female
	All	Male	Female	Male	Female	Male	Female
Executive/Sr. Level Officials							
By total	19	11	8	0	0	9	8
By percent	100%	57.89%	42.11%	0.00%	0.00%	47.37%	42.11%
First/Mid-Level Officials							
By total	486	305	181	8	3	240	132
By percent	100%	62.76%	37.24%	1.65%	0.62%	49.38%	27.16%
Professionals							
By total	1805	1117	688	56	26	740	408
By percent	100%	61.88%	38.12%	3.10%	1.44%	41.00%	22.60%
Technicians							
By total	5	4	1	0	0	3	1
By percent	100%	80.00%	20.00%	0.00%	0.00%	60.00%	20.00%
Sales Workers							
By total	3	1	2	0	0	1	2
By percent	100%	33.33%	66.67%	0.00%	0.00%	33.33%	66.67%
Administrative Support Workers							
By total	129	25	104	2	4	13	61
By percent	100%	19.38%	80.62%	1.55%	3.10%	10.08%	47.29%
Craft Workers							
By total	66	64	2	1	0	42	0
By percent	100%	96.97%	3.03%	1.52%	0.00%	63.64%	0.00%
Operatives							
By total	79	48	31	3	5	24	7
By percent	100%	60.76%	39.24%	3.80%	6.33%	30.38%	8.86%
Laborers and Helpers							
By total	9	6	3	1	0	3	3
By percent	100%	66.67%	33.33%	11.11%	0.00%	33.33%	33.33%
Service Workers							
By total	143	128	15	6	0	68	7
By percent	100%	89.51%	10.49%	4.20%	0.00%	47.55%	4.90%
Total Workers							
By total	2744	1709	1035	77	38	1143	629
By Percent	100.00%	62.28%	37.72%	2.81%	1.38%	41.65%	22.92%

Race/Ethnicity									
Non-Hispanic or Latino									
Black or African American		Asian		Native Hawaiian or Other Pacific Islander		American Indian or Alaska Native		Two or More Races	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1	0	1	0	0	0	0	0	0	0
5.26%	0.00%	5.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	32	27	13	1	0	3	0	1	1
5.14%	6.58%	5.56%	2.67%	0.21%	0.00%	0.62%	0.00%	0.21%	0.21%
134	178	174	65	1	0	5	2	7	9
7.42%	9.86%	9.64%	3.60%	0.06%	0.00%	0.28%	0.11%	0.39%	0.50%
0	0	1	0	0	0	0	0	0	0
0.00%	0.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0	0	0	0	0	0	0	0	0	0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	37	2	1	0	0	0	0	0	1
6.20%	28.68%	1.55%	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.78%
18	2	0	0	0	0	3	0	0	0
27.27%	3.03%	0.00%	0.00%	0.00%	0.00%	4.55%	0.00%	0.00%	0.00%
11	15	8	4	1	0	0	0	1	0
13.92%	18.99%	10.13%	5.06%	1.27%	0.00%	0.00%	0.00%	1.27%	0.00%
2	0	0	0	0	0	0	0	0	0
22.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
51	8	2	0	0	0	0	0	1	0
35.66%	5.59%	1.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.00%
250	272	215	83	3	0	11	2	10	11
9.11%	9.91%	7.84%	3.02%	0.11%	0.00%	0.40%	0.07%	0.36%	0.40%

APPENDIX 3. EEO-1 DATA CONTINUED



Ethnicity Representation Comparison 2015 & 2019



APPENDIX 4. DIVERSITY AND INCLUSION CHAMPIONS

Executive Diversity & Inclusion Council (EDIC)

The EDIC is comprised of a cross-functional team of Bank senior executives — led by the Bank's chief diversity officer — whose role is to serve as advocates and drivers of the Bank's D&I strategies. The EDIC serves as a key partner with the Office and the Diversity and Inclusion Alliance to support and advance a diverse and inclusive culture.

Diversity & Inclusion Alliance (DNA)

The DNA is guided by the EDIC and serves as a key partner — with the EDIC and the Office — to support and advance a diverse workplace and inclusive culture. The DNA also provides oversight for the Bank's eight employee resource networks. The DNA is comprised of a cross-functional and diverse group of 14 Bank employees.

2019 Employee Resource Networks (ERNs)

The ERN program is comprised of eight employee-led groups sanctioned by the Bank, governed by the DNA and formed around shared characteristics, affinities or professional interests for the purpose of supporting the Bank's D&I efforts and other strategic initiatives of the organization. Networks are voluntary, aligned with the Bank's D&I mission and support the strategic goals of the Bank.

The Bank's eight ERNs are:

ABLE (Ability Beyond the Label)

Mission: ABLe works to assist the Bank in achieving its strategic goal of maintaining a diverse work environment by raising awareness of the value differently abled individuals bring to the organization, where all employees can contribute at their maximum potential.

First to Serve

Mission: First to Serve is a resource for harnessing the talents, experiences and interests of those who have or are currently serving in the uniform services and those who support them in the Bank and in the community at large.

Generations United

Mission: Generations United is a multigenerational resource network that represents our entire workforce through all "Generations United." They support the

Bank's objective of attracting, retaining and developing a world-class, diverse workforce by sponsoring activities that promote the interaction and engagement of today's multigenerational workforce.

GROW (Generating Recognition of Women)

Mission: GROW promotes, recognizes and respects the value of women and encourages their professional and personal development.

LiPM (Leading in Project Management)

Mission: LiPM supports the Bank's strategic goal of being an employer of choice by encouraging civic engagement, learning from each other, and understanding the strengths and needs of project management across all business areas.

PRISM (Pride, Respect, Inclusion, Safe and Mutual support — lesbian, gay, bisexual and transgender employees and allies)

Mission: PRISM supports the Bank's organizational objectives by sponsoring activities that assist the Bank in maintaining an inclusive work environment where all employees can fulfill their maximum potential, and by promoting an environment that recognizes strengths, values and differences as well as respect and mutual support.

STAAART (Supporting the Advancement of Asian American Recognition and Talent)

Mission: STAAART supports the Federal Reserve Bank of Richmond in maintaining a diverse and inclusive work environment where all employees can fulfill their maximum potential through the promotion of professional development, networking, cultural awareness, recruitment and retention, and knowledge sharing.

VITAL (Valuing the Inclusion of Talented African Americans and Latinos)

Mission: VITAL supports the Bank's organizational objectives by sponsoring activities that assist the Bank in maintaining an inclusive work environment where all employees can fulfill their maximum potential, and by promoting an environment that recognizes and values the contribution of diverse talent.



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